

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

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Date: 1/27/2015

Employer Identification Number:

Contact person - ID number:

Contact telephone number:

LEGEND

UIL: 4945.04-04

Y= Location

Dear :

You asked for advance approval of your scholarship grant procedures under Internal Revenue Code section 4945(g). This approval is required because you are a private foundation that is exempt from federal income tax. You requested approval of your scholarship program to fund the education of certain qualifying students.

Our determination

We approved your procedures for awarding scholarships. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding scholarships meet the requirements of Code section 4945(g)(1). As a result, expenditures you make under these procedures won't be taxable.

Also, awards made under these procedures are scholarship or fellowship grants and are not taxable to the recipients if they use them for qualified tuition and related expenses (subject to the limitations provide in Code section 117(b)).

Description of your request

Your purpose is to assist youth by providing scholarships to deserving individuals who otherwise would not be afforded the opportunities provided by higher education. The purpose of your scholarship is to help students to change the course of their lives, their community, and their country.

You will provide scholarships to students who live in Y. Students who have attended schools that receive financial assistance from you or who have demonstrated a commitment to serving the local community and the poor are eligible for scholarships. Candidates for scholarships are students who are either finishing the equivalent of high school and would like to go to college or who are in college and would like to go on to pursue a graduate degree. You will use criteria such as grade point average, academic

achievement and future goals to select recipients. The number of scholarships that will be awarded each year will vary depending on the amount of funds available to be distributed. Selected students will further their education at an educational organization described in section 170(b)(1)(A)(ii) of the Code. The amount of scholarships will vary depending on the cost of tuition of the university or college chosen by the recipients as well as the estimated cost of living for the applicable region.

Scholarship brochures will be available at local country schools within the boundaries of Y and teachers at these schools will make periodic announcements. You will also visit, make announcements, and pass out brochures approximately twice per year.

The Scholarship Selection Committee is comprised of your officers. Relatives of the selection committee are not eligible for any scholarships.

You will pay the scholarship directly to the college or university the recipient attends. Living expenses will be sent directly to the recipients. You will monitor the selected students by requiring them to submit their semi-annual grade transcripts. You may consider non-renewal of a scholarship if a recipient did not maintain an appropriate GPA. You will maintain all records relating to individual grants, including information obtained to evaluate grantees, identify whether a grantee is a disqualified person, establish the amount and purpose of each grant, and establish that you undertook the supervision and investigation of grants. You will also arrange to receive and review grantee reports annually and upon completion of the purpose for which the grant was awarded, investigate any diversions of funds from their intended purposes, and take all reasonable and appropriate steps to recover diverted funds, ensure that other grant funds held by a grantee are used for their intended purposes, and withhold further payments to grantees until you obtain grantees' assurances that future diversions will not occur and that grantees will take extraordinary precautions to prevent future diversions from occurring.

Basis for our determination

The law imposes certain excise taxes on the taxable expenditures of private foundations (Code section 4945). A taxable expenditure is any amount a private foundation pays as a grant to an individual for travel, study, or other similar purposes. However, a grant that meets all of the following requirements of Code section 4945(g) is not a taxable expenditure.

- The foundation awards the grant on an objective and nondiscriminatory basis.
- The IRS approves in advance the procedure for awarding the grant.
- The grant is a scholarship or fellowship subject to the provisions of Code section 117(a).
- The grant is to be used for study at an educational organization described in Code section 170(b)(1)(A)(ii).

Other conditions that apply to this determination

- This determination only covers the grant program described above. This approval will apply to succeeding grant programs only if their standards and procedures don't differ significantly from those described in your original request. The

effective date of our approval is March 24, 2014, which is the date your request was submitted.

- This determination applies only to you. It may not be cited as a precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes to your program to the Cincinnati Office of Exempt Organizations at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

- You cannot award grants to your creators, officers, directors, trustees, foundation managers, or members of selection committees or their relatives.
- All funds distributed to individuals must be made on a charitable basis and further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with Code section 170(c)(2)(B).
- You should keep adequate records and case histories so that you can substantiate your grant distributions with the IRS if necessary.

Please keep a copy of this letter in your records.

If you have questions, please contact the person listed at the top of this letter.

Sincerely,

Director, Exempt Organizations